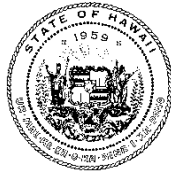


DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
MARCH 2, 2016

H.B. 2146

RELATING TO WAILUKU PROPERTIES

Chair Luke and members of the Committee, thank you for the opportunity to testify on H.B. 2146.

The Department of Accounting and General Services (DAGS) supports the intent of H.B. 2146, provided its passage allows the proposed actions to be incorporated into our existing program efforts and provided further, the measure does not replace or adversely impact priorities indicated in the Executive Budget.

DAGS has implemented a phased program to develop a statewide master plan for addressing the shortage of State managed office space within the DAGS jurisdiction, which is fully State CIP-funded. Work includes verification of State office space needs in DAGS-managed facilities and in DAGS-managed lease space, development and population of a new DAGS database system to record and track space authorizations, assignments, and leases, and development of area master plans to identify means and methods to reduce lease rents by

relocation of programs into DAGS-managed facilities, to optimize efficient use of space, and to optimize program operations.

Exploration of solutions currently includes consideration for renovation or demolition/redevelopment of existing DAGS-managed facilities, development of new facilities on existing State properties, or acquisition/renovation of existing commercial facilities.

The project phases are geographically based and prioritized to address the highest concentration of space shortfall first. Phase 1 encompasses the State Capital District. The study is in final review for issuance. Phase 2 expands the program to include outlying Oahu districts, and the neighbor islands. Phase 2 was initiated in January 2016 to complete the statewide effort by December 2016. The Wailuku, Maui, district has been prioritized for earlier review. A separate, prioritized interim report can be generated for this target area. DAGS also supports the appropriation of funds to supplement program efforts provided this does not replace or adversely impact priorities indicated in the Executive Budget. The current program scope does not include complete canvassing of all lands and buildings adjacent to DAGS-managed facilities, nor does it include coordination with county agencies. The additional funding would help finance these efforts.

If acquisition of one or more of the specified properties proves to be feasible and appropriate, DAGS supports the appropriation of funds for the acquisition provided this also does not replace or adversely impact priorities indicated in the Executive Budget. DAGS notes, however, that the process for executing the acquisition(s) is likely to extend beyond the normal lapse date of June 30, 2017, for fiscal year 2016-2017 general revenue funds. DAGS would not be able to complete the transaction should funds lapse prior to closure of the purchase(s).

Thank you for the opportunity to testify on this matter.



The Judiciary, State of Hawai‘i

Testimony to the House Committee on Finance

Representative Sylvia Luke, Chair

Representative Scott Y. Nishimoto, Vice Chair

Wednesday, March 2, 2016, 11:00 a.m.
State Capitol, Conference Room 308

by

Rodney A. Maile

Administrative Director of the Courts

WRITTEN TESTIMONY ONLY

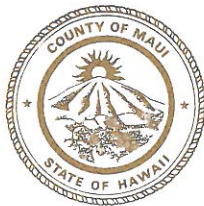
Bill No. and Title: House Bill No. 2146, Relating to the Wailuku Properties.

Purpose: Requires the Department of Accounting and General Services to develop a Wailuku state office master plan to address the shortage of space in the Wailuku State Office Building and Old Courthouse Building. Makes an appropriation for the master plan. Makes an appropriation for the purchase of certain other properties in Wailuku.

Judiciary's Position:

The Judiciary takes no position on House Bill No. 2146. The bill identifies the Judiciary as an appropriate stakeholder with whom the Department of Accounting and General Services shall consult in developing a Wailuku State Office Master Plan. Having programs in leased space roughly totaling some 13,300 square feet, the Judiciary's Second Circuit, is currently facing space shortages in the Wailuku-Kahului area. To consolidate operations and accommodate projected growth through 2030, the Hawai‘i Judiciary Facilities Master Plan recommends that 82,000 SF be added in the Wailuku-Kahului area. Hoapili Hale comprises approximately 80,000 SF. There, the Second Circuit is confronting mounting deferred maintenance needs, currently estimated at roughly \$20.0 million. Given these issues, the Judiciary would be open to participating in a discussion of a master state office plan for the area.

Thank you for the opportunity to testify on House Bill 2146.



OFFICE OF THE MAYOR

Ke'ena O Ka Meia

COUNTY OF MAUI – Kalana O Maui

**TESTIMONY OF ALAN ARAKAWA, MAYOR
COUNTY OF MAUI**

BEFORE THE HOUSE COMMITTEE ON FINANCE

Wednesday, March 2, 2016

11:00 a.m.

Conference Room 308

HB 2146, RELATING TO WAILUKU PROPERTIES

Honorable Sylvia Luke, Chair

Honorable Scott Nishimoto, Vice Chair

Honorable Members of the House Committee on Finance

Thank you for this opportunity to testify in **STRONG SUPPORT OF HB 2146.**

As Mayor of Maui County I support this bill for the following reasons:

1. Wailuku town is the civic and government heart of Maui County. It comprises of the judiciary, the Maui County seat of government, locally owned businesses, higher education and health care facilities. Wailuku town is where the state judiciary and state office campus belong.
2. The over six-hundred employees of the judiciary and state offices, as well as the daily influx of jurors, attorneys, court reports, and others are customers of the Wailuku town businesses. They, along with many residents and visitors shop, eat, have their shoes repaired, cut their hair, get their taxes done, and more.
3. Unfortunately, many of the existing facilities and buildings are aging, and there is a severe shortage of parking. Improvements, upgrades and expansion are sorely needed for the State Judiciary and campus.
4. There is adequate acreage within Wailuku Town to accommodate all of the forecasted needs for building square footage and parking. The existing B-3 zoning of the property where the State campus sits affords a density of development that would allow a much greater utilization and functionality (permitting up to 12 stories).

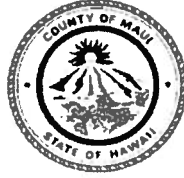
Rep. Sylvia Luke
HB 2146
03/02/2016
Page 2 of 2

5. As the County of Maui is currently investing significant resources into revitalizing Wailuku town, now would be the opportune time to initiate and implement the Wailuku State Office Master Plan. I look forward to working with the state so that we can all be a part of Wailuku town's success.

For these reasons I STRONGLY SUPPORT HB 2146.

ALAN ARAKAWA
Mayor

WILLIAM MITCHELL, Chair
DON FUJIMOTO, Vice-Chair
FRANK DeREGO
CAROL BALL
JONATHAN STARR



COUNTY OF MAUI
MAUI REDEVELOPMENT AGENCY

LATE

**TESTIMONY OF THE MAUI REDEVELOPMENT AGENCY
COUNTY OF MAUI**

BEFORE THE HOUSE COMMITTEE ON FINANCE

Wednesday, March 2, 2016
11:00 a.m. - Conference Room 308

HB 2146, RELATING TO WAILUKU PROPERTIES

Honorable Sylvia Luke, Chair
Honorable Scott Nishimoto, Vice Chair
Honorable Members of the House Committee on Finance

Thank you for providing this opportunity to testify in **SUPPORT OF HB 2146**.

The Maui Redevelopment Agency strongly supports the implementation of a comprehensive state office and judiciary master plan in Wailuku Town. The mission of the Wailuku Redevelopment Program is to orchestrate key infrastructure projects, economic development initiatives and policy improvements that will result in a competitive and thriving business district. The government and medical facilities in town are the key economic drivers for Wailuku that support the many locally owned small businesses. Directing investment towards medical and government sectors helps the Wailuku Redevelopment Area by creating a rising tide that will raise all boats.

Wailuku Town is Maui Island's downtown and the civic heart of Maui County. In the coming years, our vision is to embrace and celebrate Wailuku's unique urban environment, by developing signature parks and public spaces, and connecting the downtown with walkable streets, well designed buildings and new inclusive housing options. As the County of Maui is also poised to invest in its Wailuku campus, the Maui Redevelopment Agency sees this as a wonderful opportunity to partner and plan in a strategic, comprehensive and cost effective way.

Thank you for your consideration of the position of the MRA set forth in this testimony. For these reasons we **STRONGLY SUPPORT SB 2146**

A handwritten signature in black ink, appearing to read "WMA".

William Mitchell
Maui Redevelopment Agency, Chair

LATE

Testimony of Jonathan Starr

Related to HB2146, Relating to Wailuku Properties

Dear Chair Luke, Vice Chair Cullen, and other Honorable FIN Members,

I wish to express strong support and appreciation for HB2146, and the creation and implementation of a State Office Master Plan for Wailuku.

I am a commercial property owner in Wailuku, a few blocks away from the State and County facilities, and a Member of the Maui Redevelopment Agency and the Wailuku Community Association Board of Directors. I have been working for two decades toward the improvement of our Historic Town of Wailuku into a vibrant Live – Work – Play walkable community that does justice to Maui County’s center of Government, Business, Arts, Higher Education, and Health Care.

On my own properties, comprising approximately an acre and a half near the center of town, I have been waiting for the day when economic factors will support the construction of a dense rental workforce apartment project for several hundred of the approximately 30,000 community members who work within a one mile radius of Market and Main Streets.

Both the State Offices and Judiciary, and the Maui County seat of Government have needed revamping for a number of years. Recently, the County of Maui has initiated a new master plan, under which a new office building and parking and other improvements are being planned. Maui Medical Group and other long-term Wailuku entities are also expanding and building new facilities, and an Entertainment District is developing around two active legitimate theatre & dance organizations in the Market Street and Vineyard Street axis. A Clean and Safe Program has been implemented, and it is succeeding in improving our Streetscapes, and many new festivals and pop up programs are in the works. A program to study and digitally map infrastructure, to quantify future needs and create a timeline for integration into County departmental CIP programs is in the works.

The Wailuku State Government Campus has numerous issues that need to be addressed. These relate to capacity (many State programs and agencies require space not currently available), security (particularly the Judiciary does not meet current safety & security standards, with parking below the courts), maintainability (elevators, waterproofing etc), and parking deficit. There is additional land area adjacent to the State facilities that may be available for State Governmental usage, and greater density in Wailuku’s core would be welcomed and would help the town.

In the past there has been consideration of moving State and Judicial functions out into active agricultural lands in the Pu'unene area. This would be bad policy and contrary to all State and County planning principles, along with good sense.

The proposed Bill is in accord with Maui County Planning, Actions and Community Interest. The present time is the ideal time to implement the Wailuku State Office Master Plan, since great efficiencies and symbiosis would be found by working with Maui County as it revamps the County Campus and reviews and improves infrastructure and parking etc.

Mahalo for your support for Wailuku, Maui's Capitol.

A handwritten signature in black ink that reads "Jonathan Starr". The signature is fluid and cursive, with the first name "Jonathan" written in a larger, more prominent script than the last name "Starr".

Jonathan Starr
Starr Properties, Wailuku
Member, Maui Redevelopment Agency
Wailuku Community Association Board of Directors
Past Chairman, Maui Planning Commission
kalepa@maui.net
(808) 283-1183